

CUSTOMER SPOTLIGHT

Consumer Packaged Goods

Brand Protection Authentication Solution

DIVERSION OF PRODUCTS FROM LEGITIMATE DISTRIBUTION CHANNELS



THE SITUATION

A large, global hair care manufacturer produces category-leading brands with high consumer loyalty and demand. Their products are marketed through exclusive, professional beauty care channels via a complex supply chain with diverse manufacturing systems and multiple distribution outlets. All of these elements make their products high-value targets for counterfeiters, organized theft

rings, and gray market wholesalers. In fact, the manufacturer found they were being negatively impacted by diversion of its products from legitimate distribution channels into gray or retail markets. This situation was creating dissatisfied customers and weakening their market promotional efforts.



THE CHALLENGE

Clearly, the manufacturer needed an anti-diversion authentication solution that would help them maintain brand equity. It was imperative that the solution include the ability to authenticate product and verify its “product

genealogy” throughout its life cycle. They also needed the ability to track product throughout their entire supply chain and make sure the right product was always delivered to the right location.



RESULTS

- ✓ Increased sales by \$77 million
- ✓ 47% reduction in product diversion
- ✓ Seamless integration into 13 production lines
- ✓ Identification of channel leaks within a complex supply chain

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THE SOLUTION

The global hair care manufacturer turned to Authentix to implement an authentication solution of serialization and a track-and-trace system that identified product diversion in the brand's distribution channels. The Authentix solution utilized multiple covert authentication features that allow item-level serialization, full product traceability from manufacturing to retail, as well as provisions to track repackaged products. In addition, the track-and-trace

system was seamlessly integrated into manufacturing process controls for all of the manufacturer's 13 production lines.

Itemized serialization was accomplished for over 165 million products, enabling full traceability from manufacturing to retail.



THE OUTCOME

- Successfully identified channel leaks within a complex distribution chain of over 2,500 channel partners and 15 distributors
- Over 300 million units have been marked since the Authentix solution was implemented
- 47 percent reduction in product diversion
- Consequently, product sales increased by \$77 million

ABOUT

As the authority in authentication solutions, Authentix helps customers thrive in supply and distribution chain complexity. We provide advanced authentication solutions for governments, central banks, and commercial products, ensuring local economies grow, banknote security remains intact, and commercial products have robust market opportunities. Our partnership approach and proven sector expertise inspire proactive innovation, helping customers mitigate risks to promote revenue growth, and gain competitive advantage.

Is your company struggling with lost revenue due to illicit activity throughout your supply chain?
Are you in need of an authentication solution to help combat the counterfeiters?

If so, let us help you. Contact info@authentix.com.